

**College of Micronesia-FSM
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Committee or Working Group:	Finance Committee
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Date: August 25, 2010	Time: 2:00 pm to 4:00pm	Location: Board Conference Room
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Members (22)	Present - 14	Absent - 4	Remarks
Chairman: Comptroller, Danny Dumantay	X		
Vice – Chair: VPSS, Ringlen Ringlen	X		
Secretary: State Campus Accountant, Doman Daoas	X		
VPA, Joe Habuchmai	X		
VPIA, Jean Thoulag	X		
VPCRE, Jim Currie	X		Rep by Sonny
Pohnpei Campus Director, Penny Weilbacher	X		VOIP
Chuuk Campus Director, Jojo Peter	X		Rep by Soledad
Kosrae Campus Director, Kalwin Kephas		X	
Yap Campus Director, Lourdes Roboman	X		VOIP
FSM – FMI Director, Matthias Ewarmai		X	
IRPO Director, Jimmy Hicks	X		
HRO Director, Rencelly Nelson	X		Rep by Salpasr
IT Director, Gordon Segal	X		
FAO Director, Eddie Haleyalig	X		
Business Office Manager, Pelma Palik	X		
Faculty Rep – National, Ray Vergin			Vacant
Faculty Rep – State Campus, Debra Perman		X	
Business Division Rep, Rafael Pulmano		X	
Student Rep			Vacant
Student Rep			Vacant
Student Rep			Vacant

Additional Attendees:	
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1. Roll call and declaration of quorum

The Chair welcomed all attendees and called the regular meeting to order at 2:10pm on August 25, 2010, at the Board Conference Room.

Fourteen (14) members were present, (4) four members were absent and (3) student representatives remained vacant.

With more than 50% members present, the committee has a quorum to adopt an action item.

2. Financial Report

The Chair presented the statement of revenues and expenditures as of July 31, 2010 in comparison with the budget amounts. He advised that the statement were transmitted via email to all members. Below are the highlights of the statements that were presented to the committee:

- Actual revenue from tuition and registration fees is \$7.957 Million or over by \$172k compared with the budget of \$7.784 Million;
- Actual expenditures as of July 31, 2010 or for 10 months is \$7.948 Million while budgeted expenditures for one fiscal year is \$11.579 Million. The remaining budget for fiscal year 2010 including encumbered obligations is \$3.630 Million.
- Actual revenue and actual expenditures indicated positive fund balance change of \$3.808 Million.

The Chair advised that the fund balance change is expected to drop at year-end after all expenditures for the year are recorded. However, it is still expected that the college will achieve a positive fund balance change at year – end.

Jimmy Hicks suggested the inclusion of encumbrances in the report. The suggestion was noted and the chair advised the Business Office Manger to include the data on encumbrances on the next report.

Jimmy Hicks asked about the revisions made on the budgets of some divisions. The Chair advised that changes in the amount of budgets are from reprogramming.

3. Registration Policy on Students Accounts

The Chair provided information on the background and current status of the college's policy and practices regarding registration of students with outstanding accounts, and presented the original policy and the suggested revisions on the policy based on existing practice. The minutes of the adhoc committee (created by VPA and composed of Danny Dumantay, Joey Oducado, Eddie Haleyalig, Pelma Palik, Doman Daoas, Karen Simion and Norma Edwin) providing the guidelines on the registration of students with outstanding accounts for fall 2010 was presented by the Chair to the committee.

The guidelines provide that students with no outstanding account are eligible to enroll. However, students with outstanding account can enroll provided that partial payment of the outstanding account is paid before enrollment (i.e. 10% of the most recent semester plus 80% of prior semesters). In addition, students will execute a promissory note for the balance with the following provisions:

- a. Pay the remaining balance before the end of the semester;
- b. Allow the College to deduct the remaining balance of the account from any scholarship, grant or other financial assistance;
- c. If the account is not paid in full, students will not be able to enroll in succeeding semesters and that transcript and/or certificate/degree will not be issued until the account is cleared.

The Chair also discussed the concern from the fiscal officer of Kosrae. Kosrae is allowing students with outstanding accounts to enroll without paying any amount provided that the

student is eligible for scholarship grant. By this way, the student will be given the chance to get educated and have the account paid through eligibility from scholarship grant. In the past, the college allowed students to enroll if the pell award is sufficient to cover the outstanding balances. With the suggested policy of paying partial amount before the registration, the fiscal officers are concern that students may not be able to enroll and pursue their studies due to failure to pay the required amount. The Chair solicited the committee's reaction on the concern from fiscal officers.

VPA asked if there is a data on how many students with outstanding balances come during registration. The SC Accountant advised that roughly 200 students come and avail of the promissory note during the registration for national campus only.

VPA and VPSS expressed that the concern from fiscal officers is reasonable but students should likewise be responsible for their education.

VPSS was asked to research on the details of Student Services MAPP Section 3.1 as stated in the old policy, and advise the Committee on the next meeting.

VPA moved VPSS seconded the motion to adopt the current practice of requiring students to pay 10% of the most recent semester and 80% on prior semesters before proceeding with the registration. The committee adopted the policy with a unanimous vote.

IRPO Director recommended to revise the policy statements in general terms and details be presented as procedures. The committee agreed with the IRPO's recommendation and revised the adopted policy. Please refer to annex A for the adopted policy on registration of students with outstanding accounts.

4. **Fund Balance Request**

a. **\$35,000 from IT for system wide network wireless project**

VPA presented the justifications for the requested amount of \$35,000 for the upgrade of wireless connection at all sites. The requested amount will provide funding for the purchase of equipment, wireless connection and travel of the college IT people at state campuses for this project. IT Director said that the security of the system would improve and allows us to control what flows into our system but has nothing to do with the speed of the wireless connection.

VPIA said that the project would address the security problem for those hanging out in the parking lot with their laptops and have been accessing the internet with somebody's password.

IT Director responded to query that with this project, faculty would have internet access in the class rooms at all campuses.

IRPO Director asked if the bandwidth with increase in users would this affect the efficiency of the internet system. IT Director said that he'll check on this.

IT Director advised that with the fiber optic cable to come here at the national campus this would increase the speed. Right now, the college is only limited with the T1 activity.

FAO Director asked the range of the wireless connection. IT Director responded that it is one city block. The speed would still be same and the improvement of speed is already being worked out with the fiber optic cable.

VPIA asked if the eliminate conferencing will improve with the improvements in bandwidth. IT Director responded positively.

The Chair advised that there is no question on the need to pursue the project. However, he advised that an email was received from VPCRE suggesting to secure the funding from Tech Fee instead from fund balance. The Chair presented that the Tech Fee has a balance of \$892,000 as of July 31, 2010 and there was no definite plan yet on the use of such amount. The Chair seconded the suggestion from VPCRE.

VPIA said that the technology fund is being reserved for technology turnover of laboratories so she suggests that we will not yet use the technology fund. The Chair commented that if the request can be funded by Tech Fee, why we have to use fund balance. The Chair explained that we could always tap the fund balance in the future in the event that the technology fund is not sufficient to fund the needed budget for technology plans.

Business Office Manager commented that Technology fund is increasing specially that the rate of tech fee has been increased from \$50 to \$100 effective fall 2010. IRPO Director advised that such project is not one of the reasons in increasing the rate of tech fee.

IT Director advised that the technology fee is tied up with the bandwidth and computer turnover. The Chair commented that though it is tied – up to certain project, there is no definite plan on the timeframe and cost of these projects at this time.

IRPO Director moved and IT Director seconded to adopt the fund balance request from IT of \$35,000 for the wireless connection project. The motion passed with a vote of 8 Yes, 5 No and 1 abstain

VPA commented that idle funds are not good investment. We need to implement programs that will immediately address the needs of students.

b. \$12,000 maintenance training

VPA presented the request for supplemental budget for training maintenance program from maintenance. The program will require maintenance personnel from state campuses to travel at the national campus to improve their skills and knowledge in keeping the buildings safe, and to develop a "Scheduled Preventive Maintenance Program" for all sites as addressed by the Accreditation Team report on April 2010 site visit.

VPSS asked if we could use the staff development fund. The HRO proxy said that it was already earmarked for a certain purpose.

VPIA clarified whether the \$12,000 is sufficient enough to cover all the expenses like per diem, airfare and other training materials. The Chair advised that the request is only \$12,000.

VPA moved and VPIA seconded to provide supplemental budget of \$12,000 for the maintenance training program. Majority voted yes. However, votes from VOIP were not secured due to poor audio reception. The Chair suggested to secure their votes via email.

5. **Development of long – term financial plan**

The Chair advised that the plan's due date for submission is by the end of October. VPA reiterated that we need to start to discuss and prepare the plan. Due to time constraint, the Chair suggested to hold a special meeting for this agenda. The committee agreed to table the discussion on this agenda on Friday, August 27 at 9:00am to 11:00am.

6. **Other matters**

a. **Student insurance**

VPSS presented the discussions of the student's services committee (SSC) on this matter. SSC agreed to have this insurance as optional for students.

The SSC communicated to the President that the college will pay 50% and the other 50% of the premium will be paid by the students to the college.

The Chair provided the following financial issues on this matter:

- i. The additional budgetary expenditures for the 50% premium to be shouldered by the college;
- ii. The risk of uncollected amounts from students for the other 50%.

Salpar responded to IT Director that children who are 22 years old and above are no longer covered as dependents by his parents.

The Chair suggested to SSC to provide an estimate of how much budget is needed to fund the 50%.

VPIA commented the need to have a mandatory coverage most especially to the dorm students.

VPSS advised that he will refer the matter back to SSC to discuss and address the comments and concerns from finance committee.

b. **Waiver of graduation fee**

IRPO Director advised that one of the reasons for the recommended waiver of graduation fee is due to the understatement of reported data in the SIS of graduated students. The catalog required payment of graduation fee before a student can be categorized as graduate. There are cases that students who graduated were not reported as graduates because they have not paid the graduation fee.

The chair suggested of not tying up the payment of the graduation fee as a requirement in categorizing graduate students in reporting to SIS.

VPIA said that we need OAR in the discussion.

The committee agreed with the suggestion from VPIA to table this agenda item in another meeting to involve the OAR Director in the discussion.

c. **Calculation of per diem**

Tabled for the next meeting.

VPA moved and FAO Director seconded to adjourn the meeting. The motion to adjourn passed unanimously at 4:22pm

Next FC Regular Meeting: August 27, 2010 Friday at 9:00am to 11:00am.

Handouts/Documents for the Meeting:

1.

Motion Adopted by Finance Committee

Item	FC Vote/ Remarks	President Approval/ Disapproval
1. Registration policy amendment	passed	
2. Fund Balance Request of \$35,000 for IT for system wide network wireless project	passed	
3. Fund Balance Request of \$12,000 for maintenance training	passed	

Prepared by:

Date Distributed:

Adoption of Minutes by FC & Responses: